

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
2004-002

2. STATE
MS

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
January 1, 2004

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
Technical Correction

7. FEDERAL BUDGET IMPACT:
a. FFY 2004 \$ 1,155,000
b. FFY 2005 \$ 1,541,250

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-D, Pages 135, 144, 145 and 146

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19-D, Pages 135, 144, 145 and 146

10. SUBJECT OF AMENDMENT: This State Plan Amendment is being filed to allow the Division of Medicaid to change the PRTF payment methodology by increasing the ceiling from 105% to 110% of the median cost and to revise the wording allowing changes to the ICF-MR and PRTF rate to be consistent with the wording used for nursing facilities.

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME: **Warren A. Jones, M.D.**

14. TITLE: **Executive Director**

15. DATE SUBMITTED: **February 9, 2004**

16. RETURN TO:

Warren A. Jones, M.D., Executive Director
Miss. Division of Medicaid
Attn: Rose Compere
239 North Lamar Street, Suite 801
Jackson, MS 39201-1399

FOR REGIONAL OFFICE USE ONLY

RECEIVED
FEB 10 2004
HEALTH CARE FINANCING ADMINISTRATION
REGIONAL OFFICE
SIGNED: *Charles W. Brown*
TITLE: *Regional Administrator*
DATE: *Feb 10 2004*

RECEIVED
MAY 12 2004
HEALTH CARE FINANCING ADMINISTRATION
REGIONAL OFFICE
SIGNED: *Brian J. Smith*
TITLE: *Deputy Director, CMSO*
DATE: *May 12 2004*

short period cost report and rate calculation is required by other provisions of this plan. Costs used in the rate calculations may be adjusted by the amount of anticipated increase in costs or decrease in costs due to federal or state laws or regulations. A description of the calculation of the rate is as follows:

A. Direct Care, Therapies, Care Related, and Administrative and Operating Rate Determination

1. Determine the per diem cost for direct care costs, therapies, care related costs, and administrative and operating costs for each facility during the cost report period. This is done by adding the total allowable costs for these cost centers and dividing the result by the total patient days.
2. Trend each facility's per diem cost as determined in 1, above, to the middle of the rate year using the ICF-MR and PRTF Trend Factor. This is done by multiplying the ICF-MR and PRTF Trend Factor in order to trend costs forward from the mid-point of

TN NO 2004-002
SUPERSEDES
TN NO 99-14

DATE RECEIVED FEB - 9 2004
DATE APPROVED MAY - 17 2004
DATE EFFECTIVE JAN - 1 2004

CHAPTER 5
RATE COMPUTATION - PSYCHIATRIC RESIDENTIAL TREATMENT
FACILITIES

5-1 Rate Computation - Psychiatric Residential Treatment Facilities (PRTF's) - General Principles

It is the intent of the Division of Medicaid to reimburse Psychiatric Residential Treatment Facilities (PRTF's) a rate that is adequate for an efficiently and economically operated facility. An efficiently and economically operated facility is defined as one with direct care costs, therapy costs, care related costs, and administrative and operating costs less than 110% of the median, property costs that do not require a payment of the hold harmless provision and an occupancy rate of 80% or more.

5-2 Rate Computation for PRTF's

A per diem rate will be established annually, unless this plan requires a rate being calculated at another time, for the period January 1 through December 31, unless this plan requires a rate being calculated at another time. Cost reports used to calculate the rate will be the cost report filed for the period ending in the second calendar year prior to the beginning of the calendar rate year, unless this plan requires a short period cost report to be used to compute

TN NO	<u>2004-002</u>	DATE RECEIVED	<u>FEB - 9</u> 2004
	SUPERSEDES	DATE APPROVED	<u>MAY 17</u> 2004
TN NO	<u>99-14</u>	DATE EFFECTIVE	<u>JAN - 1</u> 2004

the facility rate. For example, the rates effective January 1, 2001 will be determined from cost reports filed for the cost report year ended in 1999 unless a short period cost report and rate calculation is required by other provisions of this plan. Costs used in the rate calculations may be adjusted by the amount of anticipated increase in costs or decrease in costs due to federal or state laws or regulations.

A description of the calculation of the rate is as follows:

A. Direct Care, Therapies, Care Related, and Administrative and Operating Rate Determination

1. Determine the per diem cost for direct care costs, therapies, care related costs, and administrative and operating costs for each facility during the cost report period. This is done by adding the total allowable costs for these cost centers and dividing the result by the total patient days.
2. Trend each facility's per diem cost as determined in 1, above, to the middle of the rate year using the ICF-MR and PRTF Trend Factor. This is done by multiplying the ICF-MR and PRTF Trend Factor in order to trend costs forward from the mid-point of the cost report period to the mid-point of the payment period.

TN NO 2004-002 DATE RECEIVED
SUPERSEDES DATE APPROVED
TN NO 99-14 DATE EFFECTIVE

FEB - 9 2004
MAY - 17 2004
JAN - 1 2004

3. Array the trended costs from the lowest cost to the highest cost.
4. Determine the ceiling for direct care costs, therapies, care related costs, and administrative and operating costs. The ceiling is based on 110% of the cost associated with the median patient day. The median is determined by accumulating the annualized total patient days for each facility in the array described in 3, above. The trended cost that is associated with the mid-point of the total patient days is determined by multiplying the total patient days by fifty percent (50%) and interpolating to determine the median cost. The cost at the median is multiplied by 110% to determine the ceiling.
5. Determine the per diem rate for each facility for direct care costs, therapies, care related costs and administrative and operating costs. If the facility's cost is above the ceiling, its rate is the ceiling. If the facility falls below the

TN NO	2004-002	DATE RECEIVED	FEB - 9 2004
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			JAN - 1 2004